

### REMARKS

At the outset, Applicant notes that the examiner indicated that the communication was in response to applicant's amendment filed June 30, 2006. The examiner stated that "Claims 3-5, 7-8, 11, 15-18, 20-25 have been amended. Claims 1-25 are currently pending in this case."

For the record, Applicant notes that **the June 30 filing did not amend any claims**, but merely requested reconsideration. In no event did any amendment of Applicant necessitate the instant restriction requirement.

### Election/Restriction

The examiner required restriction to one of the following inventions under 35 U.S.C. 121

I. Claims 1-21, drawn to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market, classified in class 705, subclass 37.

II. Claims 22-25, drawn to a system for determining an opening price for products traded in a trading system a networked system comprising identification of oldest of interest, without regard to lock/cross condition, classified in class 705, subclass 35.

The examiner argues that the inventions are distinct, each from the other because "

Inventions I and II are related as combination and subcombination. Inventions in this relationship are distinct if it can be shown that (1) the combination as claimed does not require the particulars of the subcombination as claimed for patentability, and (2) that the subcombination has utility by itself or in other combinations (MPEP § 806.05(c)). In the instant case, the combination as claimed does not require the particulars of the subcombination as claimed because invention II does not require detecting the lock/cross condition. The subcombination (Invention I) has separate utility such as detecting the lock/cross condition.

Applicant elects Group I claims with **TRAVERSE**.

The examiner also applied a species restriction. The examiner stated:

8. Claims 1 and 14 are generic to the following disclosed patentably distinct species:

IA. Claims 2, 3, and 15 are directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market wherein the products are financial instruments.

IB. Claim 4, directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross

condition in the market and wherein interest is all quote-generated and non-directed.

IC. Claims 5-6 and 20, directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market, and including executing any interest in a particular priority.

ID. Claims 7-9 and 17, directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market, and wherein interest exists at multiple price levels.

IE. Claim 10, directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market, and wherein the sides of the market are an offer side and a bid side.

IF. Claim 11, directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market, and wherein executions occur at the price of book interest.

IG. Claims 12 and 18, directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market, and wherein after an execution, quote-generated orders are updated.

IH. Claims 13 and 19, directed to a method for determining an opening price for a product traded in a trading system comprising, inter alia, detecting a lock/cross condition in the market, and including testing whether a lock/cross condition has been removed.

Applicant elects the species of Group IA, with **TRAVERSE**. Currently claims 2 and 15 read on this species.

The examiner stated that "The species are independent or distinct because each may be utilized separately from the others."

### **Discussion**

The examiner argues that: "Because these inventions are independent **or** (emphasis supplied) distinct for the reasons given above and there would be a serious burden on the examiner if restriction is not required because the inventions require a different field of search (see MPEP § 808.02), restriction for examination purposes as indicated is proper."

Applicant contends that this restriction is improper. At the outset Applicant notes that the examiner has not used the correct standard to judge whether claims are properly restricted. In order for a restriction requirement to be proper, the examiner must shown that the inventions are independent (i.e., no disclosed relationship there between) **and** distinct (i.e., meaning two or

more subjects as disclosed are related). Both conditions must be present, in order to properly find a requirement for restriction.<sup>1</sup>

For two inventions to be independent, the inventions cannot be dependent. M.P.E.P. §802.01 sets forth the meaning of independent:

**INDEPENDENT**

The term "independent" (i.e., not dependent) means that there is no disclosed relationship between the two or more subjects disclosed, that is, they are unconnected in design, operation, or effect, for example: (1) species under a genus which species are not usable together as disclosed; or (2) process and apparatus incapable of being used in practicing the process.

In the restriction requirement the examiner has not addressed the INDEPENDENT requirement. Clearly, an apparatus and a method of operating the apparatus reciting functionally equivalent elements are not independent inventions, as is recognized by the office at MPEP 806.05(e).

In order for the requirement to be proper however, the examiner must also show that the inventions are distinct. The examiner inadequately addresses the distinctiveness requirement that also is necessary to have a proper restriction. M.P.E.P. §802.01 also sets forth the meaning of distinct:

**DISTINCT**

The term "distinct" means that two or more subjects as disclosed are related, for example, as combination and part (subcombination) thereof, process and apparatus for its practice, process and product made, etc., but are capable of separate manufacture, use, or sale as claimed, AND ARE PATENTABLE (novel and unobvious) OVER EACH OTHER (though they may each be unpatentable because of the prior art). It will be noted that in this definition the term related is used as an alternative for dependent in referring to subjects other than independent subjects.

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<sup>1</sup> 35 U.S.C. 121 quoted in the preceding section states that the Commissioner may require restriction if two or more "independent and distinct" inventions are claimed in one application.

In 37 CFR 1.141, the statement is made that two or more "independent and distinct inventions" may not be claimed in one application.

M.P.E.P. §802.01

The examiner has failed to address how a method as in claim 1 would be capable of separate sale as the apparatus of claim 22 and how the method of claim 1 and the apparatus of claim 22, which recite similar functional limitations are novel and unobvious over each other.

Rather, Applicant's Group I and Group II claims are directed to the same invention, albeit of varying claim scope. The MPEP is quite clear on improper restrictions where an application has a single disclosed embodiment, namely that it is not proper.

**806.03 Single Embodiment, Claims Defining Same Essential Features [R-3]**

Where the claims of an application define the same essential characteristics of a *single* disclosed embodiment of an invention, restriction therebetween should never be required. This is because the claims are *\*not directed to distinct inventions; rather they are* different definitions of the same disclosed subject matter, varying in breadth or scope of definition.

Where such claims *\*are voluntarily presented* in different applications *\*\*having at least one common inventor or a common assignee (i.e., no restriction requirement was made by the Office)* <, disclosing the same embodiments, see MPEP § 804 - § 804.02.

The examiner's argument also does not address the test of whether the claims are "distinct," that is, being capable of separate manufacture, use, or sale as claimed, AND ARE PATENTABLE (novel and unobvious) OVER EACH OTHER. Accordingly, the examiner's restriction is improper and should be removed.

Applicant also traverses the species election. Applicant contends that in fact there is no disclosed species in the examiner's requirement, but merely claims of varying scope. In order for a genus-species to be proper, the examiner must show that the application includes claims to different embodiments or species that could fall with the scope of a generic claim. However, the examiner in this case has failed to show that the specification discloses multiple embodiments and not merely claims of varying scope. MPEP 806.04 states that:

**806.04 *\*\*Genus and/or Species* Inventions [R-3]**

*\*\*Where an application includes claims directed to different embodiments or species that could fall within the scope of a generic claim, restriction between the species may be proper if the species are independent or distinct. However, 37 CFR 1.141 provides that an allowable generic claim may link a reasonable number of species embraced thereby. The practice is set forth in 37 CFR 1.146.*

Applicant also contends that this restriction requirement is procedurally flawed.

Divisional practice is governed by 35 U.S.C. 121, which permits, but does not require the Director to require restriction in an application, if: "two or more independent and distinct inventions are claimed in one application." However under 35 U.S.C. 121, no one can question the validity of a patent for failure of the Director to require the application to be restricted to one invention. Thus, divisional practice is provided for administrative convenience.

The patent office promulgated rules to implement divisional practice under 35 U.S.C. 121. One of those rules is 37 CFR 1.142, reproduced below:

**37 CFR 1.146. Election of species.**

In the first action on an application containing a generic claim to a generic invention (genus) and claims to more than one patentably distinct species embraced thereby, the examiner may require the applicant in the reply to that action to elect a species of his or her invention to which his or her claim will be restricted if no claim to the genus is found to be allowable. However, if such application contains claims directed to more than a reasonable number of species, the examiner may require restriction of the claims to not more than a reasonable number of species before taking further action in the application

Under 37 CFR 1.146, an election of species can only be made in the first action on an application containing a generic claim to a generic invention and claims to more than one patentably distinct species. Since the office submitted two prior office actions before this restriction, this species election is procedurally improper and any attempt to maintain said requirement could be considered to be arbitrary and capricious.

Presumably, after 4.5 years of pendency, the examiner has already conducted an exhaustive search of the relevant art. In view of Applicant's submission of two Replies to the Office Actions of September 28, 2005 and March 24, 2006, it is unreasonable for the office to take the position that the examiner would be inconvenienced by examination of the claims presently in the application. The Office responded to Applicant's Replies with office actions that neither cited new art nor advanced new arguments. The Office has delayed the case from being heard by the Board or to be allowed. On the other hand, this delay and protracted prosecution in this application has now become a burden for the applicant.

No fee is believed due. If a fee is due, please apply that fee and any charges or credits to deposit account 06-1050 referencing the above attorney docket number.

Applicant : Daniel F. Moore et al.  
Serial No. : 10/046,652  
Filed : January 14, 2002  
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Attorney's Docket No.: 09857-071001

It is believed that all the rejections and/or objections raised by the examiner have been addressed. All of the dependent claims are patentable for at least the reasons for which the claims on which they depend are patentable in addition to the reasons given above.

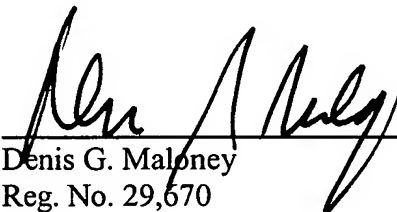
Any circumstance in which the applicant has addressed certain comments of the examiner does not mean that the applicant concedes other comments of the examiner, or made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or amended or canceled a claim does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

Enclosed is a check for \$120.00 for the Petition for Extension of Time. Please apply any other charges or credits to deposit account 06-1050.

Respectfully submitted,

Date: \_\_\_\_\_

12/1/06

  
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